

Message Text

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TO HICOMTERPACIS SAIPAN

INFO DISTAD MARIANAS TERPACIS

UNCLAS STATE 117098

E.O. 11652: N/A

TAGS: PGOV, TQ

SUBJECT: DOING BUSINESS IN THE TRUST TERRITORY

DOA NO. 178-TT

1. PASS TO PEDRO DELA CRUZ, CHAIRMAN, DISTRICT ECONOMIC DEVELOPMENT BOARD, MARIANAS DISTRICT AND INFO ATTORNEY EDWARD DLG. PANGELINAN.

2. FOLLOWING MESSAGE IS FROM SENATOR OLYMPIO T. BORJA: REF. APPLICATION OF BALLY CORPORATION TO DO BUSINESS IN THE MARIANA ISLANDS DISTRICT PURSUANT TO OUR PUBLIC LAW ON FOREIGN INVESTORS ACT.

3. AT THE OUTSET I WISH TO STATE THAT AFTER CAREFULLY REVIEWING THIS PROPOSAL I STRONGLY SUPPORT THE APPLICATION OF THIS COMPANY TO DO BUSINESS IN THE MARIANAS WITHIN THE

SCOPE AND OBJECTIVES OF THEIR PROPOSED CORPORATION.

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4. IT IS MY UNDERSTANDING ACCORDING TO THE PROPOSED ARTICLES AND BY-LAWS OF INCORPORATION, TOGETHER WITH THEIR BUSINESS APPLICATION, THAT BALLY INTENDS TO ENGAGE PRIMARILY IN THE DISTRIBUTION OF GAMING AND OTHER DEVICES

TO LOCAL CITIZENS THAT ARE NOT LOCALLY AVAILABLE AND TO

ALSO PROVIDE THE NECESSARY TECHNICAL SERVICES AND KNOW-HOW IN CONNECTION WITH SUCH BUSINESS. IT IS FURTHERMORE MY UNDERSTANDING THAT THE COMPANY WILL NOT BE DIRECTLY INVOLVED IN THE OPERATION OF THE MACHINES THEMSELVES.

5. I FEEL THAT APPROVAL OF THIS COMPANY TO DO BUSINESS IN OUR DISTRICT IS ESSENTIAL IN ORDER TO ASSIST OUR CITIZENS IN ACQUIRING GAMING DEVICES, AND ALSO IN PROVIDING AN ADDITIONAL SOURCE OF SUCH MACHINES IN ADDITION TO THE ONE NOW AVAILABLE AND ITS TECHNICAL SERVICES FOR SUCH MACHINES. THESE TWO FACTORS WILL BE OF GREAT BENEFIT TO OUR PEOPLE BOTH ECONOMICALLY, AND TECHNICALLY BECAUSE THE ADDITIONAL TECHNICAL SERVICES WILL DECREASE THE LIKELIHOOD OF DISRUPTION DUE TO MECHANICAL MALFUNCTIONS AND TO STRICTLY ADHER TO ANY PUBLIC LAND AND REGULATIONS THAT MAY BE ENACTED BY LEGISLATIVE BODIES.

6. I KNOW THAT THE DISTRICT ADMINISTRATOR HAS RECENTLY ISSUED A PROCLAMATION WITH THE INTENTION OF DISCONTINUING THE USE OF SLOT MACHINES IN THE MARIANAS, EFFECTIVE JANUARY 1, 1976, BECAUSE IT IS ALLEGED THAT THEY ARE NOT IN THE BEST INTERESTS OF OUR CITIZENS UNDER PRESENTLY OPERATING ORDINANCES. I STRONGLY FEEL THAT BALLY'S PROPOSAL WILL ELIMINATE SOME OF THESE DEFFICIENCIES AND CONSEQUENTLY WILL ELIMINATE THE DETRIMENTAL EFFECTS TO OUR PEOPLE. ADDITIONALLY, BALLY WILL NOT ONLY BE CONFINED TO THE DISTRIBUTION AND SERVICING OF THESE TYPES OF DEVICES, BUT ALSO TO PROVIDE VENDING MACHINES AND OTHER RECREATIONAL DEVICES WHICH WILL BE ULTIMATELY TO THE ADVANTAGE OF OUR LOCAL PEOPLE AND ESPECIALLY TO OUR TOURIST INDUSTRY. IN THIS CONNECTION, I SHOULD LIKE TO EMPHASIZE THAT MORE RECREATIONAL MACHINES AND EQUIPMENT WILL BE OF GREAT BENEFIT IN PROVIDING WHOLESOME ENTERTAINMENT FOR OUR YOUNG PEOPLE AND THUS WILL CONTRIBUTE TO THE SOCIAL WELFARE IN GENERAL OF THE PEOPLE OF OUR DISTRICT, AS WELL AS TO OUR UNCLASSIFIED

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TOURIST INDUSTRY.

7. I AM CONFIDENT THAT THE PRESENCE OF SUCH MACHINES AND DEVICES WILL BE A GREAT CONTRIBUTION TOWARD PROMOTING TOURISM IN OUR ISLANDS, WHICH IS A MAJOR ECONOMIC GOAL OF THIS DISTRICT. HOWEVER, TO INSURE THAT SUCH DEVICES ARE IN FACT USED TO THE BENEFIT OF OUR PEOPLE AND OUR ECONOMY, I BELIEVE THAT THE FORTHCOMING SESSION OF THE MARIANAS DISTRICT LEGISLATURE WILL AVAIL THE OPPORTUNITY TO CONSIDER AND TO ENACT STRICT STATUTORY CONTROLS FOR THESE DEVICES. IT IS MY FEELING THAT THROUGH SUCH STRICT CONTROL AND WITH RIGID ENFORCEMENT OF APPROPRIATE LAWS, WE WILL BE ABLE TO PROVIDE THE OPPORTUNITY FOR LOCAL HOTELS TO

INCREASE THEIR OCCUPANCY RATES BY PROVIDING ADDITIONAL INCENTIVES TO THE TOURIST MARKET HERE ON SAIPAN AND IN THE DISTRICT IN GENERAL. IN SHORT, IT IS MY BELIEF THAT THE BUSINESS OF THIS COMPANY WILL OPERATE TO INCREASING OUR "INVISIBLE EXPORT" OF TOURISM IN THE MARIANAS.

8. IN SUPPORTING THIS APPLICATION OF BALLY, I WOULD LIKE TO GIVE YOU MY ASSURANCE THAT JUST AS I AM STRONGLY IN FAVOR OF SUPPORTING THE APPLICATION OF BALLY, I AM ALSO STRONGLY OPPOSED TO ANY GAMBLING OR GAMING DEVICES WHICH WILL BE DETRIMENTAL TO THE WELFARE OF OUR CITIZENS OR TO OUR LOCAL ECONOMY. HOWEVER IT IS MY OPINION THAT WITH PROPER CONTROLS BALLY'S ACTIVITIES WILL BE BENEFICIAL, ESPECIALLY IN CONSIDERATION OF THE OPENING OF SAIPAN'S NEW INTERNATIONAL AIRPORT THIS YEAR, AND THE GRANTING OF THE JAPAN-SAIPAN ROUTE TO AN AMERICAN AIR CARRIER COMMENCEMENT OF SERVICES BY JAPAN AIR LINES.

9. THEREFORE, I AM STRONGLY ENDORSING THE APPLICATION OF BALLY TO DO BUSINESS HERE, AND ASK THAT THE BOARD AND ITS MEMBERS EXAMINE THE APPLICATION THOROUGHLY TO ENSURE THAT THERE WILL BE NO DETRIMENTAL EFFECTS, AND THAT INDEED IT WILL OPERATE TO OUR GENERAL BENEFIT, AND HELP TO INCREASE OUR LOCAL REVENUES TO BE USED FOR IMPORTANT AND ESSENTIAL COMMUNITY PROGRAMS, PROJECTS, AND SERVICES.

10. YOUR FAVORABLE CONSIDERATION OF BALLY'S APPLICA-
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TION WILL BE GREATLY APPRECIATED AS I BELIEVE THAT APPROVAL WILL BE IN THE BEST INTERESTS OF OUR FUTURE ECONOMIC DEVELOPMENT IN THE FIELD OF TOURISM. SENATOR OLYMPIO T. BORJA SENDS. SGD ACTING DOTA RICE.

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